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DIVISION OF
OIL GAS & MINING

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D C 20549
FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 1992

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________ to ____________

Commission File Number 1-10297

UNION CARBIDE CORPORATION
(Exact name of registrant as specified in its charter)

New York (State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
39 Old Ridgebury Road, Danbury, CT (Address of principal executive offices)	06817-0001 (Zip Code)

203-794-2000
Registrant's telephone number, including area code

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 31, 1992
Common Stock, $1 par value	131,587,596 shares

UTAH DEPARTMENT OF NATURAL RESOURCES
RE: Utah Board of Oil, Gas and Mining and Union Carbide Corp. and its wholly-owned subsidiary Umetco Mineral Corporation Mined-Lands Reclamation Contracts

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PART I. FINANCIAL INFORMATION

UNION CARBIDE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

	Millions of dollars (Except per share figures) Quarter ended September 30, 1992	1991[a]
NET SALES	$ 1,241	$ 1,191
Deductions		
Cost of sales, exclusive of depreciation and amortization shown separately below	972	934
Research and development	37	38
Selling, administrative and other expenses[b]	92	100
Depreciation and amortization	70	71
Interest on long-term and short-term debt	30	61
Other expense[c]	3	109
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES - CONTINUING OPERATIONS	37	(122)
Provision (credit) for income taxes	6	(23)
INCOME (LOSS) OF CONSOLIDATED COMPANIES - CONTINUING OPERATIONS	31	(99)
Less: Minority stockholders' share of loss	-	(2)
UCC share of net loss from corporate investments carried at equity	(6)	(10)
INCOME (LOSS) FROM CONTINUING OPERATIONS	25	(107)
Income from discontinued operations, net of income taxes and minority interest	-	23
NET INCOME (LOSS)	25	(84)
Preferred stock dividend, net of taxes	2	5
NET INCOME (LOSS) - COMMON STOCKHOLDERS	$ 23	$ (89)
Earnings per common share (Note 7)		
Primary		
- Income (loss) from continuing operations	$ 0.17	$ (0.88)
- Income from discontinued operations	$ -	$ 0.18
- Net income (loss)	$ 0.17	$ (0.70)
Fully diluted		
- Income (loss) from continuing operations	$ 0.17	$ (0.88)
- Income from discontinued operations	$ -	$ 0.18
- Net income (loss)	$ 0.17	$ (0.70)
Cash dividends per common share	$ 0.19	$ 0.25

(a) Restated. See Note 2.

(b) Selling, administrative and other expenses include:

Selling	$ 38	$ 36
Administrative	33	40
Other expenses	21	24
	$ 92	$ 100

(c) Includes for 1991 a $139 million charge relating mainly to the Corporation's profit improvement program (see Note 4).

The Notes to Consolidated Financial Statements on Pages 7 through 12 should be read in conjunction with this statement.

UNION CARBIDE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

	Millions of dollars (Except per share figures) Nine months ended Sept. 30, 1992	1991[a]
NET SALES	$ 3,685	$ 3,726
Deductions (additions)		
Cost of sales, exclusive of depreciation and amortization shown separately below	2,826	2,813
Research and development	113	117
Selling, administrative and other expenses[b]	278	315
Depreciation and amortization	219	216
Interest on long-term and short-term debt	123	174
Other expense (income)[c]	(37)	94
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES - CONTINUING OPERATIONS	163	(3)
Provision for income taxes	46	12
INCOME (LOSS) OF CONSOLIDATED COMPANIES - CONTINUING OPERATIONS	117	(15)
Less: Minority stockholders' share of loss	-	(4)
UCC share of net loss from corporate investments carried at equity	(9)	(18)
INCOME (LOSS) FROM CONTINUING OPERATIONS	108	(29)
Income from discontinued operations, net of income taxes and minority interest	67	78
NET INCOME	175	49
Preferred stock dividend, net of taxes	9	14
NET INCOME - COMMON STOCKHOLDERS	$ 166	$ 35
Earnings per common share (Note 7)		
Primary		
- Income (loss) from continuing operations	$ 0.75	$ (0.34)
- Income from discontinued operations	$ 0.51	$ 0.61
- Net income	$ 1.26	$ 0.27
Fully diluted		
- Income (loss) from continuing operations	$ 0.75	$ (0.34)
- Income from discontinued operations	$ 0.42	$ 0.61
- Net income	$ 1.17	$ 0.27
Cash dividends per common share	$ 0.69	$ 0.75

(a) Restated. See Note 2.

(b) Selling, administrative and other expenses include:

Selling	$ 111	$ 115
Administrative	105	121
Other expenses	62	79
	$ 278	$ 315

(c) Includes for 1991 a $139 million charge relating mainly to the Corporation's profit improvement program (see Note 4).

The Notes to Consolidated Financial Statements on Pages 7 through 12 should be read in conjunction with this statement.

UNION CARBIDE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	Millions of dollars Sept. 30, 1992	Millions of dollars Dec. 31, 1991
ASSETS		
Cash and cash equivalents	$ 59	$ 64
Notes and accounts receivable	878	846
Inventories:		
Raw materials and supplies	129	146
Work in process	51	56
Finished goods	294	327
	474	529
Prepaid expenses	158	133
Due from Praxair, Inc	-	1,038
Net assets held for sale	23	31
Total current assets	1,592	2,641
Property, plant and equipment	5,668	5,542
Less: Accumulated depreciation	3,204	3,043
Net fixed assets	2,464	2,499
Companies carried at equity	517	479
Other investments and advances	117	124
Total investments and advances	634	603
Net assets of discontinued business	-	650
Other assets	378	433
Total assets	$ 5,068	$ 6,826
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 352	$ 496
Short-term debt	223	606
Payments to be made within one year on long-term debt	24	676
Accrued income and other taxes	122	12
Other accrued liabilities	557	642
Total current liabilities	1,278	2,432
Long-term debt	1,243	1,160
Other long-term obligations	410	415
Deferred credits	460	543
Minority stockholders' equity in consolidated subsidiaries	10	13
Convertible preferred stock	152	324
Unearned employee compensation	(127)	(300)
UCC stockholders' equity:		
Common stock authorized - 500,000,000 shares		
Common stock issued - 133,912,992 shares (130,256,120 shares in 1991)	134	130
Additional paid-in capital	86	33
Equity adjustment from foreign currency translation	(22)	(8)
Retained earnings	1,490	2,130
	1,688	2,285
Less: Treasury stock, at cost - 2,648,837 shares	46	46
Total UCC stockholders' equity	1,642	2,239
Total liabilities and stockholders' equity	$ 5,068	$ 6,826

The Notes to Consolidated Financial Statements on Pages 7 through 12 should be read in conjunction with this statement.

UNION CARBIDE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	Millions of dollars Nine months ended Sept. 30, 1992	1991 [a]
	Increase (decrease) in cash and cash equivalents	
Operations		
Income (loss) from continuing operations	$ 108	$ (29)
Non-cash charges (credits) to net income		
Depreciation and amortization	219	217
Deferred income taxes	(3)	(36)
Other noncash charges[b]	6	147
Investing charges (credits) to net income	(34)	17
Working capital[c]	(165)	(86)
Long-term assets and liabilities	(29)	73
Cash flow from (used for) operations	102	303
Investing		
Capital expenditures	(219)	(275)
Investments	(70)	(47)
Redemption/sale of assets	159	552
Net cash transferred from (to) Praxair	1,022	(48)
Cash flow from investing	892	182
Financing		
Short-term debt	(381)	(312)
Long-term borrowings	300	16
Issuance of common stock	57	21
Repurchase of convertible preferred stock	(202)	-
Repayment of loan by ESOP	202	-
Long-term debt reductions	(865)	-
Other, including minority transactions	(10)	(76)
Payments of dividends	(99)	(116)
Cash flow used for financing	(998)	(467)
Effect of exchange rate changes on cash and cash equivalents	(1)	(4)
Change in cash and cash equivalents	(5)	14
Cash and cash equivalents beginning-of-period	64	54
Cash and cash equivalents end-of-period	$ 59	$ 68

(a) Restated. See Note 2.
(b) Includes for 1991 a $139 million non-cash charge relating mainly to the Corporation's profit improvement program.
(c) Net change in working capital by component (excluding cash and cash equivalents, due from Praxair, due from UCAR Carbon, net assets held for sale, dividends payable on preferred stock and deferred income taxes and short-term debt):

	1992	1991
(Increase) decrease in current assets		
Notes and accounts receivable	$ (34)	$ 138
Inventories	55	22
Prepaid expenses	(23)	(11)
Increase (decrease) in payables and accruals	(163)	(235)
Working capital	$ (165)	$ (86)

(c) Cash paid for interest and income taxes

	1992	1991
Interest (net of amount capitalized)	$ 141	$ 169
Income taxes	$ 22	$ 93

The Notes to Consolidated Financial Statements on Pages 7 through 12 should be read in conjunction with this statement.

UNION CARBIDE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Financial Statements

In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments necessary for a fair statement of the results for the interim periods. These adjustments consisted of only normal recurring adjustments. The accompanying statements should be read in conjunction with the Notes to Financial Statements of Union Carbide Corporation and Subsidiaries ("the Corporation") in the 1991 annual report to stockholders.

2. Spin-off of Praxair, Inc.

On June 30, 1992, the Corporation completed the spin-off of its industrial gases subsidiary, renamed Praxair, Inc. ("Praxair"). Under the terms of the spin-off, the Corporation distributed to its holders of common stock one share of Praxair common stock and an associated Praxair common stock purchase right for each share of the Corporation's common stock.

In the accompanying consolidated financial statements, Praxair was reported as a discontinued business. Previously reported financial statements have been restated.

The following is a summary of selected components of income from operations of the discontinued business:

Millions of dollars	Six Months Ended June 30, 1992	Nine Months Ended September 30, 1991
Net sales[(a)]	$1,315	$1,852
Income before provision for income taxes	129	146
Provision for income taxes	43	36
Minority interest	25	34
Net income from corporate investments carried at equity	6	2
Net income	$ 67	$ 78

(a) Includes net sales to the Corporation of $24 million for the first six months of 1992 prior to spin-off ($29 million in the first nine months of 1991).

The spin-off distribution reduced the Corporation's stockholders' equity by $733 million. Praxair had borrowings from the Corporation of $32 million at the time of the spin-off which remain outstanding and are classified as a long-term receivable included in Other Assets.

As a result of the spin-off, antidilution adjustments were required for the convertible preferred stock held by the Corporation's ESOP (See Note 5). An adjustment was also required for the 7.5% convertible subordinated debentures of Union Carbide Chemicals and Plastics Company Inc. ("UCC&P Inc."), reducing the conversion price from $35.50 per share to $15.79 per share and increasing the number of shares into which the debentures are convertible from 9.7 million to 21.8 million shares. The purchase price of a share of the Corporation's common stock under the 1989 shareholder rights plan was adjusted from $85.00 per share to $37.67 per share.

3. Long-Term Debt

On August 6, 1992 UCC&P Inc. sold $125 million principal amount of 8.75 percent 30-year debentures due August 1, 2022 and $175 million principal amount of 7 percent notes due August 1, 1999. The debentures and notes are guaranteed by the Corporation.

On August 24, 1992 UCC&P Inc. redeemed all of its outstanding 9.35 percent debentures due August 15, 2009 in the principal amount of $157 million. On September 14, 1992 UCC&P Inc. redeemed all of its outstanding 8.5 percent debentures due January 15, 2005, in the principal amount of $185 million. The redemptions were principally funded with proceeds from the two new issues. As a result of these redemptions net income from continuing operations was reduced by an after-tax charge of $6 million.

On October 27, 1992, UCC&P Inc. repurchased $155 million of its 7.5 percent sinking fund debentures due December 16, 2006. The repurchase was funded by short-term borrowings.

Payments due on long-term debt in the four years after 1992 taking into consideration the above are: 1993, $21 million; 1994, $12 million; 1995, $19 million; 1996, $126 million.

4. Special Charge

In September 1991, the Corporation recorded a before-tax charge of $139 million ($114 million after-tax). The charge includes the before-tax $60 million write-down of the Corporation's share of UOP's fluid cracking catalyst business, known as Katalistiks. UOP is a jointly owned partnership of the Corporation and Allied-Signal Inc. The charge also includes amounts to cover severance payments and certain other costs mainly associated with the Corporation's profit improvement program.

5. Employee Stock Ownership Plan

On January 1, 1991, the Union Carbide Corporation Employee Stock Ownership Plan (ESOP) became an integral part of the Employees' Savings Plan. In November 1990, the Trust for the ESOP purchased 15.1 million shares of a new series of convertible preferred stock (ESOP stock) from the Corporation for $325 million.

During the second quarter of 1992, the Corporation repurchased 7.5 million shares of unallocated ESOP stock from the ESOP's trustee for $26.875 per share or $202 million. This action preserves the expected ten year life of the ESOP, which has fewer participating employees as a result of the spin-off of Praxair. The repurchased shares were retired at their liquidation value and unearned employee compensation was reduced accordingly. Also in connection with the spin-off, one million shares of the ESOP stock were converted into Union Carbide common stock.

The terms of the ESOP stock provide that the ESOP conversion price, liquidation price, dividend and number of shares of ESOP stock be adjusted upon the distribution of Praxair stock to shareholders so that the interests of the ESOP shareholders are not diluted. As of the June 30, 1992 spin-off date, the conversion price, liquidation price and annual preferred dividend of the ESOP stock were adjusted from $21.50, $21.50 and $1.90, respectively, to $8.981, $8.981 and $0.794, respectively. After a special ESOP stock dividend of 10.5 million shares for antidilution purposes, the ESOP stock now outstanding are convertible into a total of 17 million shares of the Corporation's common stock.

6. Union Carbide Chemicals and Plastics Company Inc.

The Corporation has unconditionally guaranteed the payment of principal, premium if any, and interest on all SEC registered public debt of UCC&P Inc. The following is summarized financial information of UCC&P Inc. and its consolidated subsidiaries as of September 30, 1992 and December 31, 1991, and for the nine months ended September 30, 1992 and 1991:

	Nine Months Ended September 30,	
Millions of dollars	1992	1991
Net sales	$3,685	$3,726
Cost of sales	2,832	2,825
Depreciation and amortization	218	214
Income (loss) from continuing operations	104	(29)
Net income	171	49

	September 30, 1992	December 31, 1991
Current assets	$1,592	$2,640
Noncurrent assets	3,472	3,361
Net assets of discontinued business*	-	650
Total assets	$5,064	$6,651
Current liabilities	$1,292	$2,363
Noncurrent liabilities	1,988	2,123
Minority interest in consolidated subsidiaries	10	13
Net assets	$1,774	$2,152

* The net assets of discontinued business represent the net assets of Praxair that were spun off to shareholders (see Note 2) at the close of business on June 30, 1992. These net assets were transferred to Union Carbide Corporation, the parent company, prior to distribution to shareholders.

7. Earnings Per Share

Primary earnings per share is computed by dividing net income - common stockholders by the weighted average number of common shares outstanding and common stock equivalents related to dilutive stock options. Fully diluted earnings per share is computed by dividing adjusted net income - common stockholders by the weighted average number of common shares outstanding, common stock equivalents related to dilutive stock options, and common shares issuable on conversion of debentures and convertible preferred stock.

The number of common shares used to compute earnings per share amounts was as follows:

	Quarter Ended		Nine Months Ended	
	Sept. 30, 1992	Sept. 30, 1991	Sept. 30, 1992	Sept. 30, 1991
Primary	135,032,268	127,416,857	132,197,856	127,074,588
Fully Diluted	135,032,268	127,595,263	161,035,399	127,252,994

8. Commitments and Contingencies

The Corporation has entered into three agreements for the purchase of ethylene related products from facilities located in the U.S. and Canada. The net present value of the fixed and determinable portion of these obligations at September 30, 1992 totaled $511 million. The Corporation and its consolidated subsidiaries had additional contingent obligations at September 30, 1992 of $188 million, principally related to Chemicals & Plastics purchase and sale commitments related to the ordinary conduct of business.

Praxair is responsible for all its loss contingencies, asserted and unasserted, as if the business, as presently conducted, had always been a separate, free-standing entity. Praxair has indemnified the Corporation for asserted and unasserted legal (including environmental) contingencies which arise out of Praxair's business, as well as those related to certain discontinued and divested businesses previously operated or managed as a part of Praxair's business (loss contingencies for which Praxair is responsible are hereafter referred to as "Praxair loss contingencies").

If for any reason Praxair fails to be responsible for and to indemnify the Corporation against Praxair loss contingencies (known and unknown) relating to the time before the spin-off, the Corporation may be responsible for Praxair loss contingencies. The Corporation believes that Praxair's indemnity and resources are sufficient to protect the Corporation against Praxair loss contingencies.

Similarly, the Corporation is responsible for and has indemnified Praxair for asserted and unasserted legal (including environmental) contingencies other than Praxair loss contingencies.

The majority of all contingencies remain with the Corporation as they pertain primarily to Chemicals and Plastics operations and divested businesses for which the Corporation has responsibility.

On February 24, 1989, UCC&P Inc. and Union Carbide India Limited ("UCIL") paid the final settlement to the Union of India with respect to the December 3, 1984 methyl isocyanate gas release at the UCIL plant in Bhopal, India. The $470 million settlement of all claims was ordered by the Supreme Court of India and accepted by the Union of India, UCC&P Inc. and UCIL. UCC&P Inc. is a 50.9 percent shareholder of UCIL. UCC&P Inc. paid $420 million and was credited an additional $5 million for the payment in that amount made by it to the Red Cross at the suggestion of U.S. Judge John F. Keenan. UCIL paid the Rupee equivalent of $45 million. The Supreme Court of India discharged the previous undertaking of UCC&P Inc. in the District Court at Bhopal to maintain unencumbered assets having a fair market value of $3 billion. The Supreme Court quashed all criminal proceedings related to the gas release, and the Supreme Court proceedings provide that the accused were deemed acquitted. On December 22, 1989, the Supreme Court of India upheld the Bhopal Act under the Indian Constitution. The Bhopal Act was the main basis on which the Union of India represented the victims.

On October 3, 1991, the Supreme Court of India, ruling on petitions to review its earlier settlement order, upheld the civil settlement of $470 million in its entirety; set aside that portion of the settlement that quashed the criminal prosecutions which were pending at the time of the settlement and that precluded any future criminal proceedings; required the Union of India to purchase, out of the settlement fund, a group medical insurance policy to cover 100,000 asymptomatic persons who may later develop symptoms; required the Union of India to make up any shortfall in the settlement fund; gave directions concerning the administration of the settlement fund; dismissed all outstanding petitions seeking review of the settlement; and requested UCC&P Inc. and UCIL to fund the capital and operating costs of a hospital in Bhopal for eight years which the Court estimated would require "around Rs. 50 crores" (approximately $18 million), with the land to be provided free by the State of Madhya Pradesh. On October 17, 1991, the Corporation and UCIL announced that together they would provide the Government of India with up to Rs. 50 crores for a hospital to be built in Bhopal by the Government.

On March 20, 1992, the Corporation and UCC&P Inc. created The Bhopal Hospital Trust with the Rt. Honorable Sir Ian Percival, formerly Solicitor General for England and Wales, as Trustee, and UCC&P Inc. pledged its shares of UCIL to the Trust. The Trust may call upon the shares to make payment to the Government of up to Rs. 51 crores (approximately $18 million), less the amount to be paid by UCIL, for a hospital in Bhopal. On March 30, 1992, the Reserve Bank of India approved the pledge of the shares to the Trust. On June 17, 1992, the Government of India requested Rs. 98 to Rs. 106 Crores ($34 to $37 million) for the hospital.

On February 1, 1992, in the criminal proceedings the Magistrate in Bhopal declared UCC&P Inc. and Union Carbide Eastern, Inc. ("UC Eastern") to be "absconders" and stated that their failure to appear in Court would result in the attachment of their properties. UC Eastern, which was a subsidiary of UCC&P Inc., has been dissolved and no longer exists. On April 30, 1992, the Magistrate in Bhopal ordered that: the shares of UCIL held by UCC&P Inc. and any property of UCC&P Inc. in India are attached; the shares or other property owned by UCC&P Inc. should not be transferred in any manner by UCIL; and the Reserve Bank of India not grant permission for sale or transfer of the shares held by UCC&P Inc. without approval of the Court. On May 22, 1992, the Magistrate in Bhopal ordered that: the unremitted dividends from UCIL to UCC&P Inc. for the years from 1984 through 1991 after deducting taxes payable are attached (approximately Rs. 6 Crores or $2 million); and the Reserve Bank of India not give permission for payment of the dividends to UCC&P Inc. without approval of the Court. On June 22, 1992, the Magistrate in Bhopal committed the criminal proceedings against the Indian individuals and UCIL to the Session Court where a trial could be conducted. On July 17, 1992, the Government Prosecutor requested the Magistrate to appoint a receiver to take charge of the property of UCC&P Inc. already attached by the Magistrate.

UCIL appealed to the High Court to set aside the attachment of the shares and unremitted dividends, and that appeal is pending. On August 11, 1992, the High Court ordered on an interim basis that no receiver be appointed for the shares and dividends. On October 20, 1992, a victim applied to the Magistrate in Bhopal to set aside the attachment so that the funding of a hospital in Bhopal for the victims by The Bhopal Hospital Trust may proceed.

In the opinion of counsel for the Corporation, under generally recognized legal principles, the criminal proceedings in India should not have adverse financial consequences for the Corporation outside of India. The assets that might be lost from the attachment in the criminal proceedings are primarily the shares of UCIL, carried at $26 million in the consolidated financial statements of the Corporation. Accordingly, management of the Corporation believes that the criminal proceedings in India will not have a material adverse effect on the consolidated financial position of the Corporation but could have a material effect on consolidated results of operations in a given quarter or year.

All of the suits with respect to the gas release that were brought in the U.S. prior to the settlement have been dismissed, except two suits in a state court, one of which was reactivated after dismissal. At an appropriate time, the settlement will be placed before that Court. In October 1990, two suits were filed in Texas State Courts with respect to the gas release seeking compensatory and punitive damages. The two suits were transferred to Federal District Courts and subsequently dismissed on the ground of *forum non conveniens*. The plaintiffs have appealed the dismissal.

In addition to the above, the Corporation and its consolidated subsidiaries are involved in a number of lawsuits and claims with both private and governmental parties. These cover a wide range of matters including, but not limited to: product liability; Federal regulatory proceedings; health, safety, and environmental matters; employment; patents; contracts and taxes. In some of these cases, the remedies that may be sought or damages claimed are substantial.

While it is impossible at this time to determine with certainty the ultimate outcome of any of the lawsuits and claims referred to in this note, management believes that adequate provisions have been made for probable losses with respect thereto and that such ultimate outcome, after provisions therefor, will not have a material adverse effect on the consolidated financial position of the Corporation but could have a material effect on consolidated results of operations in a given quarter or year. Should any losses be sustained in connection with any of the matters referred to in this note, in excess of provisions therefor, they will be charged to income in the future.

9. Capital Stock

At September 30, 1992 and December 31, 1991, there were 25,000,000 shares of preferred stock ($1 par value) authorized, of which 16,977,341 shares were issued and outstanding at September 30, 1992, 15,075,525 issued and outstanding at December 31, 1991.

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On June 30, 1992, the Corporation's Board of Directors formally completed the spin-off of its industrial gases subsidiary, renamed Praxair, Inc. ("Praxair"). Previously reported financial data have been restated to present Praxair as a discontinued business. Continuing operations include revenues and expenses of Chemicals & Plastics operations, as well as general expense (income) - net associated with corporate staff, financing and noncore business activities.

Overview

Volumes were strong in the third quarter, especially in polyester grade and domestic antifreeze grade glycol. Margins in the Corporation's major commodity products declined slightly as raw material prices escalated. The continuing sluggish economy did not allow the Corporation to pass along the full effect of rising feedstock costs. Favorable licensing results were experienced in the quarter.

Results of Operations

Net income from continuing operations available to common stockholders for the quarter ended September 30, 1992, totaled $23 million compared with an $112 million loss in the same quarter of 1991. Third quarter 1992 results were reduced by an after-tax charge of $6 million, or $0.05 per common share, from costs associated with the early redemption of debentures (see Note 3 on page 8) and increased by $6 million, or $0.05 per common share, from tax credits and adjustments. The loss in the third quarter of 1991 includes an after-tax special charge of $114 million, or $0.89 per common share (see Note 4 on page 8). Primary and fully diluted earnings per common share from continuing operations for the quarter ended September 30, 1992, were $0.17 compared with a loss of $0.88 for the same period in 1991.

Net income from continuing operations available to common stockholders for the nine months ended September 30, 1992 totaled $99 million compared with a loss of $43 million in the same period in 1991. Primary and fully diluted earnings per common share from continuing operations for the first nine months of 1992 were $0.75 versus a loss of $0.34 for the first nine months of 1991. Results for the first nine months of 1991 were reduced by approximately $52 million in lost profits as a result of the explosion and fire at the Seadrift plant. Net income from continuing operations excludes earnings from Praxair, which was spun off to shareholders on June 30, 1992.

Consolidated sales for the third quarter of $1.24 billion were four percent higher than the $1.19 billion achieved in the third quarter of 1991. September 1992 year-to-date consolidated sales of $3.69 billion were one percent lower than the $3.73 billion in 1991. Volumes increased in the current quarter for polyester grade and domestic antifreeze grade glycol while prices remain depressed, especially in export polyester grade glycol and domestic antifreeze grade glycol. Solvents and Coatings volumes were higher with steady prices.

The Corporation's gross margin ratio in the third quarter, 1992 was 21.6 percent, as it was in the third quarter, 1991. For the nine month period ending September 30, 1992 the gross margin ratio was 23.3 percent, a decline from 24.5 percent in the corresponding 1991 period. Higher ethane prices continued to depress margins.

Selling, administrative and other expenses were down 8 percent for the current quarter when compared to the same period in 1991, and decreased 12 percent for the current nine month period as compared to last year. The Corporation continued to benefit from cost control efforts associated with its previously announced profit improvement program.

The following table reconciles operating profit with the consolidated financial statements. (The term operating profit is used as defined in Statement of Financial Accounting Standards No. 14.)

Millions of dollars	Third Quarter 1992	Third Quarter 1991*	Nine Months 1992	Nine Months 1991
Operating profit (loss)	$ 87	$ (59)	$286	$156
Less: General expense (income) - net	20	2	-	(15)
Less: Interest on long-term and short-term debt	30	61	123	174
Income (loss) before provision for income taxes - continuing operations	$ 37	$(122)	$163	$ (3)

* Includes special charges mainly associated with a profit improvement program as follows:

Operating profit	$116
General expense - net	23
	$139

General expense (income) - net was affected significantly in the third quarter of 1992 by the before tax charge of $9 million on the redemption of the Corporation's debentures and the absence of interest income on the $1 billion owed to the Corporation from Praxair which was paid to the Corporation upon spin-off.

Interest expense decreased 51 percent for the quarter and 29 percent for the first nine months reflecting a $1 billion debt repayment from Praxair upon spin-off and subsequent debt repayment by the Corporation plus the Corporation's refinancing of higher cost debt with debt at lower rates.

The Corporation's share of net loss from corporate investments carried at equity was $6 million for the quarter, $9 million for the first nine months. This includes primarily the Corporation's share of loss for the third quarter from its 50 percent investment in UCAR Carbon which totaled $6 million; $10 million for the first nine months of 1992. For the full year 1991, Union Carbide's share of UCAR Carbon net losses was $21 million, including $10 million after taxes related to the restructuring of certain production facilities. Management's present expectation is that the business will be unprofitable for all of 1992 and that further facility rationalizations may be required to properly structure the business for profitable operations in future years. It is not possible to estimate the magnitude of additional losses, if any, which may result from such rationalizations. The carrying value of Union Carbide's 50 percent investment in UCAR Carbon was $139 million at September 30, 1992.

Discontinued Operations

For a discussion of Discontinued Operations for 1992 up to the spin-off date of June 30, 1992, see the Corporation's Form 10-Q for the period ending June 30, 1992.

Analysis of change in earnings per common share

Dollars per share	1992 vs. 1991 Third Quarter	1992 vs. 1991 Nine Mos.
1991 primary earnings per common share	$(0.70)	$ 0.27
Total gross margin	+0.07	-0.27
Research and development	-	+0.02
Selling, administrative and other expenses	+0.05	+0.18
Depreciation and amortization	+0.01	-0.01
Other income - net	+0.69	+0.76
Interest on long-term and short-term debt	+0.20	+0.25
Effective income tax rate	+0.01	+0.12
Minority stockholders' share of loss	-0.02	-0.03
Share of net income (loss) from corporate investments carried at equity	+0.03	+0.07
Preferred stock dividend, net of taxes	+0.02	+0.04
Discontinued operations	-0.18	-0.09
Increase in shares outstanding	-0.01	-0.05
Net change	+0.87	+0.99
1992 primary earnings per common share	$ 0.17	$ 1.26

Financial Condition - September 30, 1992

Cash flow from operations in the first nine months of 1992 was $102 million versus $303 million for the same period in 1991. Improvements in inventories and payables were more than offset by higher customer receivables. Receivable increases in 1992 were consistent with sales which were higher in the current quarter versus the fourth quarter of 1991. In addition, 1991 working capital was affected by the sale of certain receivables to banks. Cash flow from operations in 1991 also included the collection of a $94 million long-term note from Public Service of Indiana.

Cash flow from investing was significantly higher in 1992 ($892 million vs. $182 million) as Praxair repaid $1 billion due the Corporation. Capital expenditures amounted to $219 million as compared to $275 million in the first nine months of 1991. Major domestic capital projects in 1992 continue to include the oxide expansion/oxygen conversion project at Taft, LA. Included in investments is $30 million loaned to UCAR Carbon and $14 million provided to the recently formed Alberta & Orient Glycol Company, a joint venture established to build an ethylene glycol plant in Prentiss, Alberta, Canada.

Proceeds from the sales of assets in 1992 includes receipt of $50 million from a licensee in settlement of a receivable, $32 million from the sale of a Canadian investment, $31 million from the sale of the Corporation's shares in Exel Limited (a casualty insurance company) and $27 million insurance settlement relating to the Seadrift incident. In 1991, proceeds from the sale of businesses included receipt of $233 million from Mitsubishi Corporation in connection with the sale of 50 percent of the Corporation's equity in UCAR Carbon Company, Inc. and collection of $205 million on a note from UCAR Carbon.

In the third quarter of 1992 the Corporation issued $300 million of long-term debt in a two part public offering and redeemed $342 million of other long-term debt issues. This refinancing strategy enabled the Corporation to meet its objectives of reducing ongoing interest expense and extending the average life of its long-term debt.

Cash flow used for financing in 1992 of $998 million included debt reductions of $946 million.

The Corporation's ratio of debt to capital decreased to 47.4 percent at September 30, 1992 from 52.0 percent at December 31, 1991. At September 30, 1992, unused borrowing capacity under the existing major bank credit agreements was approximately $850 million.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 8 to the Corporation's consolidated financial statements on page 10 of this 10-Q Report.

In October, 1992 UCC&P Inc. and the U.S. Labor Department's Occupational Safety and Health Administration (OSHA) signed an agreement settling citations issued by OSHA following the March, 1991 explosion at UCC&P Inc.'s Seadrift plant. As part of the settlement, UCC&P Inc. agreed to pay a penalty of $1.5 million.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

The following exhibit is filed as part of this report:

11 - Computation of Earnings Per Share.

(b) No reports on Form 8-K were filed for the three months ended September 30, 1992.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNION CARBIDE CORPORATION
(Registrant)

Date: November 13, 1992

By: John K. Wulff
JOHN K. WULFF
Vice-President, Controller
and Principal Accounting
Officer

Exhibit 11

UNION CARBIDE CORPORATION AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
(In millions of dollars except per share amounts)

	Quarter Ended Sept. 30,		Nine Months Ended Sept. 30,	
	1992	1991	1992	1991
Earnings Per Share - Primary				
Income (loss) from continuing operations	$ 25	$(107)	$ 108	$ (29)
Less: Preferred stock dividend (net of taxes)	2	5	9	14
Net income (loss) from continuing operations available to common stockholders	23	(112)	99	(43)
Income from discontinued operations	-	23	67	78
Net income (loss)	$ 23	$ (89)	$ 166	$ 35
Weighted average number of common and common equivalent shares applicable to primary earnings per share calculation				
Weighted average number of shares outstanding	130,577,301	126,600,922	128,977,447	126,249,197
Dilutive effect of stock options	4,454,967	815,935	3,220,409	825,391
	135,032,268	127,416,857	132,197,856	127,074,588
Earnings per share - primary				
Income (loss) from continuing operations	$ 0.17	$(0.88)	$ 0.75	$(0.34)
Discontinued operations	-	0.18	0.51	0.61
Net income (loss)	$ 0.17	$(0.70)	$ 1.26	$ 0.27
Earnings Per Share Assuming Full Dilution				
Income (loss) from continuing operations	$ 25	$ (107)	$ 108	$ (29)
Plus: Interest on convertible debentures (net of taxes)	-*	-*	14	-*
Less: Preferred stock dividend (net of taxes)	2	5	-	14
Less: Additional ESOP contribution resulting from assumed conversion of preferred stock (net of taxes)	-*	-*	1	-*
Income (loss) from continuing operations for fully diluted income calculation	23	(112)	121	(43)
Income from discontinued operations	-	23	67	78
Net income (loss) for fully diluted income calculation	$ 23	$ (89)	$ 188	$ 35
Weighted average number of common and common equivalent shares applicable to fully diluted earnings per share calculation				
Weighted average number of shares outstanding	130,577,301	126,600,922	128,977,447	126,249,197
Dilutive effect of stock options	4,454,967	994,341	4,365,605	1,003,797
Shares issuable upon conversion of UCC convertible debentures	-*	-*	13,758,672	-*
Shares issuable upon conversion of UCC convertible preferred stock	-*	-*	13,933,675	-*
	135,032,268	127,595,263	161,035,399	127,252,994
Per share assuming full dilution				
Income (loss) from continuing operations	$ 0.17	$(0.88)	$ 0.75	$(0.34)
Discontinued operations	-	0.18	42	0.61
Net income (loss)	$ 0.17	$(0.70)	$ 1.17	$ 0.27

* Under the "if converted" method, inclusion of the convertible debentures and preferred stock in the computations of fully diluted earnings per share for the quarters ended September 30, 1991 and 1992, and nine months ended September 30, 1991 would have the effect of increasing earnings per share. Therefore, the convertible debentures and preferred stock were not deemed converted for the calculations.